



U S A M R M C

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A Principal Assistant Responsible for Contracting Welcome

Kenneth B. Connolly

I wish to welcome you to the inaugural issue of the US Army Medical Research and Materiel Command (USAMRMC) Acquisition Business Journal. This Journal has been a vision of several of us within the USAMRMC community for some time. We felt that we needed a vehicle to convey the latest initiatives, breakthroughs, and discussions in medical acquisition excellence. We also felt that it was important to chronicle for prosperity, the no less noteworthy and important endeavors by our acquisition professionals. They accomplish the daily mission of providing leading edge medical research, equipment, pharmaceuticals, and technology to our Soldiers, Sailors, Marines, and the American people at large. In essence this journal provides a framework for authoring, collecting harvesting, sharing knowledge and information.

Authoring, collecting, harvesting and sharing information are also major elements of *Knowledge Management (KM)*, which is the theme for this issue of the Journal. Knowledge Management is probably as old as civilization itself, when various rulers chronicled their lives, the lives of their subjects, and maintained vast libraries to collect and share the ideas of the time. KM, as a science or separate study, probably got its start around the late 1990's as the internet began to emerge as a major conduit for the exchange of information on a global basis and as artificial intelligence began to become more available to the mass market. KM via automation is still in its infancy stage, but it is becoming more and more a daily experience in our lives, as I hope this journal will become.

Kenneth B. Connolly is the Director at the US Army Medical Research Acquisition Activity, Fort Detrick, Frederick Maryland.
kenneth.connolly@amedd.army.mil

Editorially Speaking

Dennis L. Crosby

It's a great honor to be the editor for this kickoff edition of the Acquisition Business Journal or *ABJ*. The *ABJ* is designed as a journal of fresh ideas, commentary and observation. Initially it will be published quarterly and produced electronically via email. The *ABJ* will employ the outstanding capabilities of Microsoft Outlook, Adobe Acrobat and other current technologies to bring you a publication which will be vivid in design and point of view.

Each *ABJ* is "Theme-driven." In our first edition the intertwining thread of the contributions is the discussion of the concepts, types and products of KM.

The Director of the US Army Medical Research Acquisition Activity (USAMRAA) leads the way with his brief historical overview of KM. Dr. Zhu, a known and respected expert in the field of communication and knowledge management, provides us with dual perspectives of KM, and Mr. William Howell shares his global view of Acquisition from a global perspective. Discussions of Quality and Excellence are the next offerings. Ms. Nancy Mohler, a leader in the Command's Quality ISO Program demonstrates for all of us the benefits of establishing and maintaining a quality program. Mr. Burnie Clutz guides us in a description of "Excellence in Service Contracting," and Mr. Ed Bouryng offers his indepth perspective on "Change Revolution."

The *ABJ* is not only a magnet for fresh acquisition ideas but also your rest stop for valuable theme information discussed in each edition. Through the creation, and your use of the Journal's "*Knowledge Bank*," your intelligence "passbook" will never show a deficit. As in any new endeavor, The *ABJ* promises to offer the reader useful, leading-edge information. Let us know if we deliver.

Dennis L. Crosby is a Procurement Analyst at the US Army Medical Research Acquisition Activity, Fort Detrick, Frederick Maryland.

dennis.crosby@amedd.army.mil

Big “A” Acquisition Changes*William Howell*

It is with great pleasure that I provide an article to the initial issue of the USAMRMC Acquisition Business Journal. As the Deputy for Acquisition, big A, I clearly understand the integral role that the acquisition contracting community, read small “a”, plays within the greater process. I am enthusiastic about the reforms that make for a more flexible and streamlined contracting process, and I appreciate user’s ability to better influence outcomes. So I highly encourage fellow customers to get involved, learn more, interact often, and you will attain a far better product as a result. The winds of change are still blowing hard so use them to better reach your destination.

This issue’s theme of Knowledge Management and its impact on acquisition business in the federal government, embodies just this notion of change. Knowledge Management is not just an information management initiative but, rather, a dramatic advancement in the way we handle information and consequently which stimulates a significant culture change to our business. Though based in net-centric information technologies and systems that facilitate the horizontal flow of information, it is when this capability is applied to our business practice that the real benefits and changes begin. Let me use some current examples within the Army Medical Department (AMEDD) to highlight my point.

The concept of teaming is paramount to the future of the acquisition business, and Integrated Product Teams and Integrated Research Teams (IPTs/IRTs) are being stressed and formed within the USAMRMC. The goal of these teams is to empower individuals in separate divisions or dislocated organizations to better synchronize parallel activities, gain consensus of actions, and make real time decisions. Knowledge Management is a foundation that allows IPTs/IRTs to share pertinent information, remain current to program goals and status, and facilitate discussions that lead to decisions and action.

What do telemedicine, the Medical Research Information Technology System (MeRITS), and URL have in common? Telemedicine gathers and transmits medical data from austere locations to non-resident experts for consultation or quality control. (MeRITS) gathers, displays, and submits information concerning the pre-clinical and clinical data necessary to submit documentation to the Food and Drug Administration (FDA) for approval of new drugs and biologics. The US Army Medical Materiel Agency (USAMMA) Revolution in Logistics (URL) provides a “middleware type” glue to integrate several disparate legacy databases that support the provisioning of medical materiel. In common – well, yes, they all are current acquisition programs, and they share advanced information management/technology backbones. Their real

value, however, is in re-engineering the way we do our business – greater collaborative medical care for improved outcomes; heightened visibility and validation of laboratory science for greater acceptance and reduction in duplicative research; streamlined requisition processing and assembly management to reduce procurement lead time and costs; and, this is truly just our first efforts. Such areas as requirements generation, market evaluation, and “lessons learned” experiences are ripe for just this form of automation support.

So, do not let the unfamiliar vernacular confuse or scare you. Knowledge Management is the means of sharing pertinent information amongst the people responsible for action; acquisition personnel developing and procuring new technologies and medical materiel. It has upfront costs – real dollar outlays and difficult behavioral modifications, but the future gains can be both dramatic and rewarding. So As Tony Kornheiser, famed Washington Post Columnist, would say – “the bandwagon is forming up and you do not want to miss the excitement of the trip. Hop on board and let’s go for the ride. Potentially, something super awaits us at the end!”

William Howell is the Deputy for Acquisitions at the U.S. Army Medical Research and Materiel Command, Ft Detrick, Frederick Maryland.

william.howell@amedd.army.mil

What is Knowledge Management?*Dr. Jerry Zhu*

Knowledge management (KM) is often defined as activities such as capturing, organizing, and retrieving information, evoking notions of data mining, text clustering, databases, and documents when knowledge is considered as artifacts external to human. There is a growing awareness that accelerating the production of new knowledge is a far more valued proposition. In this view, KM means attending to processes for communicating, sharing, applying and renewing when knowledge is considered as experience, beliefs, relationships, values, and ways of working. This leads to two views of KM: *object view* and *people view*. The *object view* comes to us as the application and use of technologies to leverage existing knowledge. The *people view* focuses on ways to facilitate collaborative processes, learning dynamics and problem solving.

These two views of KM can be better understood along the knowledge spectrum with respect to time. At one end, knowledge is solid and can be treated as objects with short time perspective while at the other end knowledge is viewed as wave or process with long time perspectives. Any company’s knowledge spreads out in a range, rather than located at particular points on the knowledge spectrum.

No two organizations' knowledge spectrums are identical. Identifying your organization's knowledge spectrum is critical in forming KM strategy and investment decisions. You can not easily copy a competitor's KM strategy and system. Your company's knowledge spectrum also impacts how you chose KM technologies and conducts cultural change. When your organization's knowledge is towards the object end, IT plays a significant role. When your organization's knowledge is towards the process end, cultural and community development is more important.

“The people-view focuses on ways to facilitate collaborative processes...”

KM is about business change. There are two critical aspects that must be examined but often ignored in current practice of KM: structural change and guiding ideas. These two aspects are the two leverage points as the source of innovation. Cultural change can be difficult under industrial hierarchical pyramids both in structure and decision process. Structural change alone won't be effective if people are still under old mental models that guide their daily decision-making.

How does this understanding of KM relate to the acquisition business to provide high quality, timely, customer focused contracting guidance and acquisition solutions? How can we change the way we do business to reflect the federal government transformation, KM and the impact of all these changes? Complexity science suggests that the essence of business is the interactions among the people in the workplace, not what executives plan or mandate it.

In conclusion, effective investment on KM requires a KM strategy with the right balance of object view and people view. A KM solution often requires new organization structure enabled by technology and culture factors. Innovation comes from interactions among the people at workplace rather than top down planning and execution.

Jerry Jhu, Ph.D. is the President of KnowledgeGoods, Inc of Rockville, Md
www.knowledgegoods.com

Testing Quality – ISO Standards

Nancy M. Mohler

The International Organization for Standardization (ISO) is a worldwide federation of national standard bodies founded in 1946 to develop a common set of manufacturing, trade and communication standards. More than 800 new and revised standards are issued annually.

The U.S. representative to ISO is the American National Standard Institute (ANSI).

The ISO Series of Standards serves as an internationally recognized baseline for process management. ISO requires the establishment and maintenance of a quality system through internal quality audits, corrective and preventive actions, system management reviews and continuous assessments by an outside third party auditor.

The ISO 9000 series is intended to establish, document and maintain a system for ensuring the output quality of a process. It is not mysterious, but consists of a group of common sense and generally well-known precepts laid out in an organized fashion. ISO principles will guide you by building quality into your products or services, and will help you to avoid costly inspections, warranty costs and reworks.

“Timing” is an important factor in seeking certification. You begin with surveying and benchmarking other organizations in the attempt to improve and adopt better business practices. Next, your organization should adopt the ISO theory; “Document what you do, do what you document and record the results.” Selecting enthusiastic and knowledgeable individuals from your organization to be auditors is important to the audit process. Also, providing the necessary training by a private contractor to guide the process is paramount to success.

The challenge of replacing the myths of ISO with solid facts serves to bring “everyone” on board. Establishing the quality policy, ensuring that quality objectives are set forth, conducting management reviews, ensuring the availability of resources and communicating to the organization the importance of meeting customer as well as statutory and regulatory requirements are key management responsibilities.

Once everyone is committed to the goal of certification, the Lead and Internal Auditors begin the implementation stage. Every process in the organization is reviewed, evaluated, revised and improved with all actions documented. The Quality Assurance Manual and the Quality Procedures Manual are written to communicate the complete quality system.

The official audit against the standards is usually performed within 6-12 months from initiation of the process. USAMRAA began the process in October 1999 and celebrated ISO Certification on June 13, 2000. Once certified, the job is not complete. The registrar continues to conduct surveillance audits of the organization and oversees changes and evolutions of the quality system to ensure it continues to meet ISO 9000 requirements.

In today's global marketplace, organizations have to find ways to keep their competitive edge while improving their business practices. Being able to produce a product or service that consistently meets customer requirements and enhances customer satisfaction has a positive impact on the mission.

Nancy Mohler is a Procurement Analyst for the US Army Medical Research Acquisition Activity, Fort Detrick, Frederick Maryland. nancy.mohler@amedd.army.mil

Avoid the Revolution

Edward Bouryng, Meta Formers

Prevalent through the 90s and still popular this decade is the Configuration strategy school and its offspring reengineering and organization transformation. This school teaches that there is a best way for your organization to be configured and there are best practices you should embrace to most effectively compete within your industry. The chasm between where you are and where you should be may be crossed, but with great effort. So begins the revolution.

The change management and industry best practice consultants needed to guide you through the effort are available and you'll need them. There are many lessons learned from past failures and these consultants will help you avoid the pitfalls, particularly cultural resistance to change. Even when risks are properly managed, this effort will be costly. Consulting fees, the costs of applying your own labor force, and, often, the cost of a new information management system will be high, likely measured in millions of dollars. The drastic change to your organization's structure and process and the cost represent a sacrifice in the short-term to achieve gains in the long-term. "Failure is not an option" may be your mantra's refrain, and properly so, but recognize that such failure does happen, just as you know that not all sacrifices pay dividends in the long run. Despite the risk and cost, there are times when the chasm, between where you are and where you need to be, has become so large that revolution is necessary. Avoid this as you would avoid being backed into a corner.

As part of your reengineering or transformation effort, you will take steps to avoid the same effort in the future. Visualize opening a pool. First you shock the pool, jump-starting the chlorination process, subsequently adding smaller amounts of chlorine regularly to keep the pool fit for swimming. Now visualize not maintaining the chlorine-levels after the initial dose of chlorine. The pool will return to its former state and you will have wasted your money on the chlorine. In the same way, you will take steps to promote and manage continuous change, to foster a culture of change within your organization and thereby avoid a similar, large, costly reengineering or transformation investment in the future.

There is a great deal of good that results from the change efforts begun and in-process within the federal government and across industries. Given the associated cost and risk, which act as a deterrent to federal managers, it is most likely that these efforts have been necessary. However, this cost and risk and, for your workforce, particularly your knowledge-workers, pain make them an initiative to be avoided, where possible.

My next article will address how to avoid the large-scale change initiative through proper understanding and application of knowledge management.

Edward Bouryng is the General Manager of MetaFormers, Inc. ebouryng@metaformers.com.

Center for Excellence in Service Contracting

Mr. Burnie Clutz, USAMRAA

The ever-present theme of acquisition reform has again been accentuated by the efforts of the USAMRAA, the procurement arm of the USAMRMC, with the development of a web based Center For Excellence in Service Contracting.

The center was constructed in response to the National Defense Authorization Act for 2001, which promulgated the need for major commands to assist acquisition, technology, and logistic communities by establishing central agencies for sharing successful methodologies in contracting for services in public and private matters. The intent is for these centers to function as clearinghouses by soliciting, identifying, consolidating, organizing and disseminating best practices and lessons learned in service contracting.

An assemblage of participants from various Command and Garrison disciplines will meet with the Director, USAMRMC, on a regular basis to discern the most current and effective information to impart to the targeted audiences.

Currently, the center offers a variety of helpful knowledge. An extensive library is in place relating guidance on subjects such as creating performance based service acquisitions, writing and administering effective statements of work, administering contracts efficiently, and teaching the tenants of best value source selection. The center also provides USAMRMC lessons learned in service contracting, links to actual contracts utilizing streamlining initiatives, and the identification of service contracting training opportunities. Visit the center's site at www.usamraa.army.mil. Click on Center of Excellence.

Burnie Clutz is a Branch Chief for the US Army Medical Research Acquisition Activity, Fort Detrick, Frederick Maryland. burnie.clutz@amedd.army.mil

JWOD Storefront – A Distinct KM Output

Nancy M. Mohler

In the spirit of the September 2001 memorandum from the Acting Assistant Secretary of the Army, Kenneth Oscar, USAMRMC/USAMRAA embraced the challenge for greater utilization of the Javits Wagner O'Day (JWOD) programs. To facilitate our 500+ Government Purchase Card users in accessing the mandated sources, USAMRAA established a "BaseSupply.com" electronic storefront account with the Industries for the Blind (IB). This storefront facilitates easy access to online purchasing with next day delivery for office supplies. IB and USAMRAA scheduled training sessions to bring everyone on board. Account identification numbers were given to each user linked specific to the organizations.

This identification number will be used to retrieve data particular to usage ultimately rewarding individuals or organizations for meeting goals. The IB/Basesupply storefront link went operational mid- October 2001 on USAMRAA's website. There are advantages for all participants. The customers will have easy, fast access with this on-line purchasing, the supplier will increase their sales and productivity, and USAMRAA will receive accurate reports while promoting a better business practice with another ISO 9002 Certified organization. In addition, we are currently holding discussions with the Goodwill Industries to determine the type of online services available and how to set up a similar process.

Nancy Mohler is a Procurement Analyst for the US Army Medical Research Acquisition Activity

USAMRMC - A Brief Overview

The USAMRMC, located at Fort Detrick, Frederick Maryland is the Army's medical materiel developer, with lead agency responsibility for: Medical Research, Product Development, Technology Assessment and rapid prototyping, Medical logistics management and health facility planning, and Medical information management and technology.

USAMRMC's expertise in these critical areas helps to establish and maintain the capabilities required by the Army to fight and win on the battlefield. The USAMRMC operates six medical research laboratories and institutes in the United States. These laboratories make up the core science and technology (S&T) capability of the Command. They are centers of excellence in specific areas of biomedical research, Commanded by MG Lester Martinez-Lopez, MC and staffed by highly qualified military and civilian scientists and support personnel. The USAMRMC's motto, Protect, Project, Sustain, emphasizes the Command's priorities in support of the warfighter.

USAMRAA

USAMRAA, an organization within the USAMRMC, is a quality-driven organization who recognizes its critical acquisition role in an ever-changing and challenging Federal procurement environment. USAMRAA, located at Fort Detrick, Maryland, provides contracting support to the USAMRMC and its worldwide network of laboratories, to the Fort Detrick Army Garrison, military tenant activities, Army-wide projects sponsored by The Surgeon General, and congressionally mandated programs.

USAMRAA, a known innovator in the medical research and development community understands the need for continuous analysis of its business and customer support environments. This self examination strategy strongly encourages "New Partnerships" while exceeding the needs of valued customers. This energized, customer-focused philosophy offers a more active and integrated approach to targeted technical and business assistance and provides the customer direct and personalized attention. The establishment of Customer Service Centers serve as a tool to standardize successful processes consistently meeting our customers' needs.

USAMRAA's highly trained and certified acquisition professionals operate under a code of ethics dedicated to customer satisfaction, mutual respect for all employees, and application of the highest principals of fairness and equity when dealing with our suppliers.

Teams of senior acquisition professionals, know as Account Managers, have been assigned to specific customers and will work with them from the inception of the requirement to the delivery of the product.

Acquisition Business Knowledge Bank

Books and Publications:

- * Knowledge Management, Paul R. Gamble, (Kogan Page, Ltd, 2002)
- * Knowledge Management and Organizational Competence, Ron Sanchez (Oxford University Press, 2002)
- * Knowledge Unplugged, Jurgen Kluge, Wolfram Stein, Thomas Licht (Palgrave, 2002)
- * Handbook of Knowledge Management, Springer Verlag, (Heidelberg, 2002)
- * Knowledge Management Handbook, Jay Liebowitz

Articles:

Knowledge Management the Right Way, CIO Magazine on Line
<http://www.cio.com/archive/071502/index.html>

Internet and Web Locations:

- . Knowledge Goods, Inc. <http://www.knowledgegoods.com>
- . Knowledge Management World <http://www.kmworld.com>
- . BRINT Network <http://www.brint.com/km>
- . The KM Forum <http://www.km-forum.org>
- . Knowledge Management & Federal Government
<http://www.km.gov>
- . Knowledge Management News <http://www.kmnews.com>
- . Knowledge Management Magazine
<http://www.kmmag.co.uk>
- . Journal of Knowledge Management Practice
<http://www.tlinc.com/jkmp.htm>
- . Knowledge Management Alliance <http://www.km-alliance.com>
- . Knowledge Base <http://admin.knowledgebase.net>
- . US. Army Medical Research and Material Command
<http://mrmc-www.army.mil>
- . US. Army Medical Research Acquisition Activity
<http://www.usamraa.army.mil>

ABJ Editorial Staff POC Information, etc.

The ABJ is a production of the USAMRAA at Fort Detrick, Frederick Maryland, headed by Mr. Kenneth B. Connolly, Director. The following personnel comprise the Journal editorial staff. The Journal is published quarterly.

Mr. Dennis L. Crosby, Editor, 301-619-7356,
dennis.crosby@amedd.army.mil
Ms. Joan Wilson, Asso Editor, 301-619-2387
joan.wilson@amedd.army.mil
Mr. Michael Younkings, Ombudsman, 301-619-2503
mike.younkings@amedd.army.mil

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Editor